



# CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 29, 2008

## **H.R. 5683** **Government Accountability Office Act of 2008**

*As reported by the Senate Committee on Homeland Security and  
Governmental Affairs on July 26, 2008*

### **SUMMARY**

H.R. 5683 would require the Government Accountability Office (GAO) to change certain pay practices and, subject to the availability of appropriations, compensate employees for certain past practices. It also would increase the cap on employees' pay. Assuming appropriation of the necessary amounts, CBO estimates that implementing those provisions would cost about \$12 million over the 2009-2013 period. The act would not affect direct spending and would have an insignificant effect on revenues.

H.R. 5683 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 5683 is shown in the following table. The costs of this legislation fall within budget function 800 (general government).

	By Fiscal Year, in Millions of Dollars					2009- 2013
	2009	2010	2011	2012	2013	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level	4	2	2	2	2	12
Estimated Outlays	4	2	2	2	2	12

Note: Enacting the bill also would increase revenues by less than \$500,000 in 2009.

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that H.R. 5683 will be enacted near the beginning of fiscal year 2009 and that the necessary amounts will be appropriated for each year. CBO estimates that enacting H.R. 5683 would increase salary payments to some GAO employees, assuming availability of appropriated funds.

Section 3 would require GAO to pay a lump-sum reimbursement to about 300 employees who received less than the annual pay increase given to others in 2006 (2.6 percent) and 2007 (2.4 percent). Based on information provided by GAO and assuming the availability of appropriated funds, CBO estimates that making the lump-sum payments would cost the agency about \$1.7 million in 2009. Because those payments would cause the affected employees' base pay to rise, future salaries would also increase, by an estimated \$3 million over the 2009-2013 period.

Section 3 also would reduce the lump-sum reimbursements by the amount necessary to pay the employees' contributions for retirement benefits. Such contributions are considered receipts to the federal government, but CBO estimates that their magnitude would be insignificant. H.R. 5683 also would authorize appropriations for GAO to pay its share of contributions for retirement benefits; CBO estimates that those payments would total less than \$150,000 in 2009.

Section 4 would provide a lump-sum payment to individuals who did not receive their full performance-based compensation as a result of having a salary equal to or greater than the maximum for their pay band. Based on information from GAO, CBO estimates that this provision would boost discretionary spending in 2009 by about \$200,000.

The act also would make other changes including: increasing the highest basic rate of pay under the pay schedule, limiting the total amount of cash compensation (salaries, bonuses,

and other payments) that an employee can receive in any year, and guaranteeing a minimum rate of increase in the annual pay of most employees. Based on information from GAO, CBO estimates that those provisions would cost about \$6 million over the five-year period, assuming appropriation of the estimated amounts.

Other provisions of this act would have no effect on the federal budget.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 5683 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

## **PREVIOUS CBO ESTIMATE**

On May 15, 2008, CBO transmitted a cost estimate for H.R. 5683, as ordered reported by the House Committee on Oversight and Government Reform on May 1, 2008. The Senate version of H.R. 5683 includes an additional provision that would require GAO to calculate employee and employer contributions for retirement benefits and for those amounts to be paid into the Civil Service Retirement Fund. That change would increase discretionary spending by less than \$150,000 and revenues by an insignificant amount. The Senate version of the bill does not include a section that addressed basic pay for retirement (section 12), thereby eliminating the small amount of direct spending CBO had estimated for that provision in the House version of the bill.

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